

FISCAL IMPACTS

Preliminary
Conclusions on
Impact of Strawberry
Fields Initiative and
City Council Ballot
Measure

KEY FINDINGS

- Proposals Withdraw Development Rights
- Opportunity Cost to City:
 - \$3.0 million Operating Revenue Annually
 - \$6.6 million in Development/Facility Fees
 - \$9.7 million in Acquisition costs
 - Possible additional implementation costs
- Interim vs. permanent open space

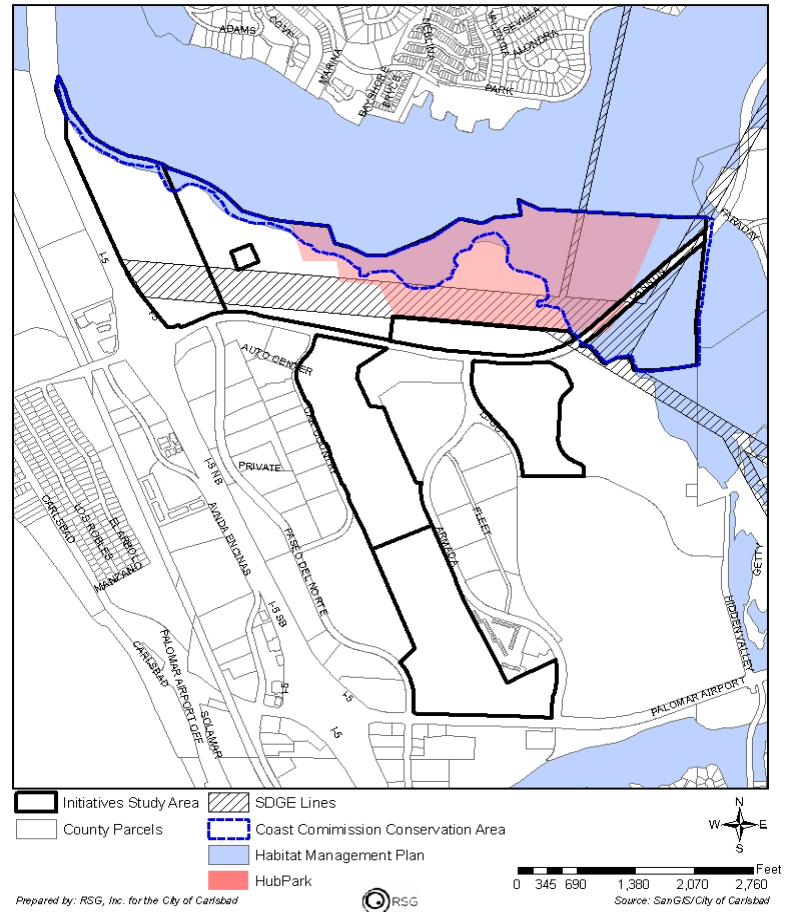
BACKGROUND

- Approximately 383 acres
- Existing Uses
 - Strawberry Growing Fields
 - Open Space, including HUB Park Site
 - Flower Fields
- Designated for:
 - Open Space
 - Tourist-Recreational (Commercial)

DEVELOPMENT CONSTRAINED

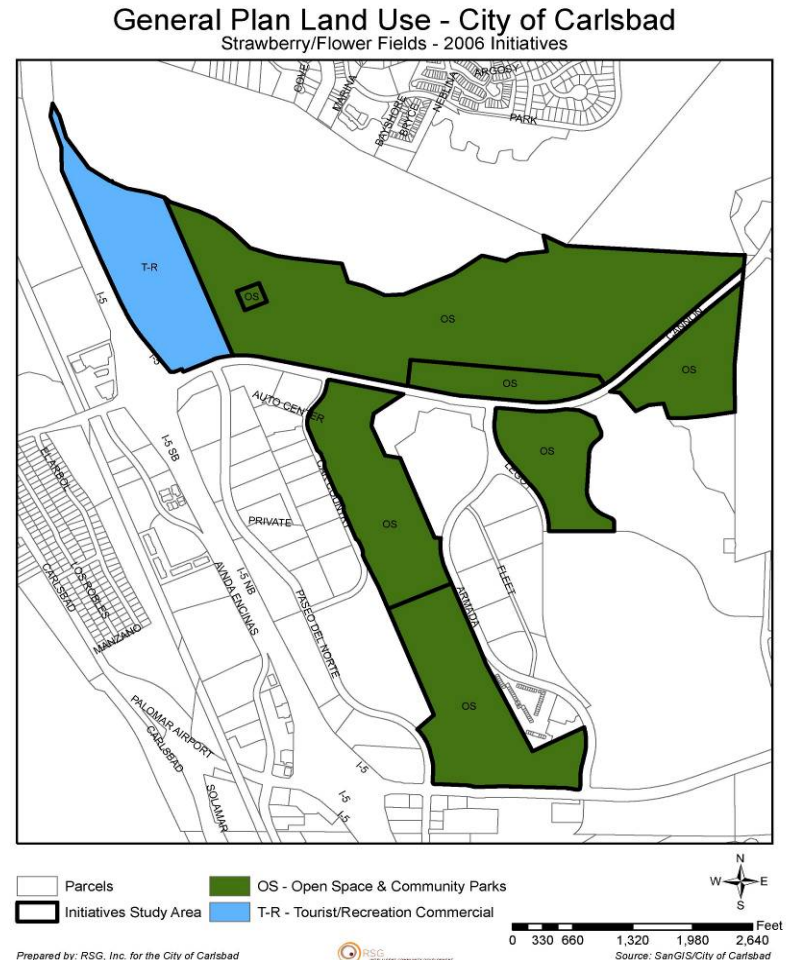
- SDG&E Transmission Lines
- Coastal Commission Conservation Area
- City Habitat Management Plan Area
- HUB Park Site

Easements and Potential Constraints - City of Carlsbad
Strawberry/Flower Fields - 2006 Initiatives



DEVELOPMENT POTENTIAL

- Build out of TR Parcel (50 acres)
 - Preservation of easements (30%)
 - Regional-serving retail and tourist uses
- No Build out on OS Parcels (334 acres)
 - Possible Acquisition to Preserve OS



TR PARCEL DEVELOPMENT

- Alternative 1:
 - 463,000 sf regional-serving center
 - \$88 million project
- Alternative 2:
 - 391,000 sf destination center
 - 120 room hotel
 - \$91 million project
- 15 acres reserved for existing easements

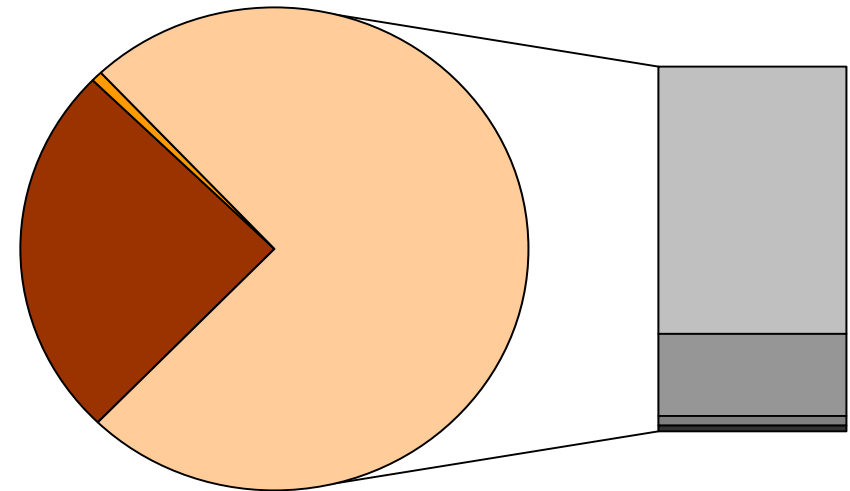
OTHER ASSUMPTIONS

- Maximum Build out Currently Permitted
- Construction Costs
 - \$190-197/sf
- Regional Retail Uses
 - Averaging \$425 taxable sales/sf
 - Rents ranging from \$1.00 - \$3.25/sf
- 120 Room, 3-Star Hotel
 - 75% Occupancy
 - Rates \$150/night

ANNUAL CITY REVENUE IMPACT

\$3.0 M ANNUAL REVENUE LOSS
(WITH HOTEL)

- Lost Revenues for Services and Projects
 - General Fund Taxes
 - Redevelopment Funds
 - CTBID Assessments
- Possible Costs to Preserve OS



ANNUAL CITY REVENUE IMPACT

Annual Operating Budget Fiscal Impact		Exhibit 2	
	TR w/Hotel	TR w/o Hotel	
General Fund Revenue	\$ 2,186,000	\$ 2,069,000	
Property Tax	35,000	34,000	
Sales Tax	1,601,000	1,966,000	
Transient Tax	493,000	-	
Business License Revenue	57,000	69,000	
Redevelopment Agency	730,784	705,000	
Net Tax Increment	730,784	705,000	
Carlsbad Tourism BID	33,000	-	
Assessments	33,000	-	
TOTAL ANNUAL OPERATING REVENUE IMPACT	\$ 2,949,784	\$ 2,774,000	

TRANSITION/ONE-TIME IMPACTS

- Implementation costs at least \$15 million
 - Lost Infrastructure Funding: \$6.6 million
 - Site Acquisition: Potentially \$8.1-9.7 million
- Processing of initiatives: Unknown cost
 - Coastal Commission approval
 - Consistency with local policies
- OS Parcels – Additional impacts?

JOB IMPACT

- Employment at TR Parcel
 - Commercial & Hotel (471 jobs)
 - Commercial Only (463 jobs)
- Secondary (Indirect) Benefits
 - Additional 150 jobs due to industry/consumer spending
- Potentially Greater Losses on OS Parcels

PRESERVATION ISSUES

- Acquisition
 - Existing Policies do not prevent rezoning/development
 - Economic loss potential on all parcels
- Mitigation
 - Environmental issues (i.e. runoff)
- Maintenance Subsidies
 - Perpetual Operation (a la Flower Fields?)

SUMMARY

- Loss of TR Site significant impact to City
 - \$3.0 million annually
- Implementation costs at least \$15 million
 - Excludes mitigation and maintenance of agricultural uses
- Potential of 600 jobs lost
- OS Parcels may pose additional liability